

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

W-02304A  
Community Water Company of Green Valley  
~~PO Box 1678~~ 1501 S. La Canada Drive  
Green Valley, AZ 85622 85614



**RECEIVED**  
APR 18 2006  
Z Corporation Commission  
Director of Utilities

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2005
----	----	------

FOR COMMISSION USE

ANN04	05
-------	----

Entered  
4-19-06  
RF

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Community Water Company of Green Valley</u>			
<b>Mailing Address</b> <u>1501 S. La Cañada</u>			
<u>Green Valley</u> <small>(City)</small>	<u>Arizona</u> <small>(State)</small>	<u>85614</u> <small>(Zip)</small>	
<u>520-625-8409</u>	<u>520-625-1951</u>	<u>N/A</u>	
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Pager/Cell No. (Include Area Code)</small>	
<b>Email Address</b> <u>info@communitywater.com</u>			
<b>Local Office Mailing Address</b> <u>1501 S. La Cañada</u>			
<u>Green Valley</u> <small>(City)</small>	<u>Arizona</u> <small>(State)</small>	<u>85614</u> <small>(Zip)</small>	
<u>520-625-8409</u>	<u>520-625-1951</u>	<u>N/A</u>	
<small>Local Office Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Pager/Cell No. (Include Area Code)</small>	
<b>Email Address</b> <u>info@communitywater.com</u>			

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>Arturo R. Gabaldón</u>		<b>General Manager</b>	
<small>(Name)</small>		<small>(Title)</small>	
<u>1501 S. La Cañada</u> <small>(Street)</small>	<u>Green Valley</u> <small>(City)</small>	<u>Arizona</u> <small>(State)</small>	<u>85614</u> <small>(Zip)</small>
<u>520-625-8409</u>	<u>520-625-1951</u>	<u>N/A</u>	
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Pager/Cell No. (Include Area Code)</small>	
<b>Email Address</b> <u>info@communitywater.com</u>			
<b>On Site Manager:</b> <u>Arturo R. Gabaldón, General Manager</u>			
<small>(Name)</small>			
<u>1501 S. La Cañada</u> <small>(Street)</small>	<u>Green Valley</u> <small>(City)</small>	<u>Arizona</u> <small>(State)</small>	<u>85614</u> <small>(Zip)</small>
<u>520-625-8409</u>	<u>520-625-1951</u>	<u>N/A</u>	
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Pager/Cell No. (Include Area Code)</small>	
<b>Email Address</b> <u>info@communitywater.com</u>			

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** William D. Baker

(Name)

7310 N. 16th Street, Suite 320

(Street)

Phoenix

(City)

Arizona

(State)

85020

(Zip)

602-956-8878

Telephone No. (Include Area Code)

602-224-9663

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

**Attorney:** William D. Baker

(Name)

7310 N. 16th Street, Suite 120

(Street)

Phoenix

(City)

Arizona

(State)

85020

(Zip)

602-956-8878

Telephone No. (Include Area Code)

602-224-9663

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☒ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe)

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	See Exhibit A - Page 1		
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>			

This amount goes on the Balance Sheet Acct. No. 108 

COMPANY NAME

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services	See Exhibit A - Page 2,3		
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>			

This amount goes on the Comparative Statement of Income and Expense  
Acct. No. 403.

**BALANCE SHEET**

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$	\$
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	<b>SEE EXHIBIT A, Page 4</b>	
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$	\$
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$	\$
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant		
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$	\$
	<b>TOTAL ASSETS</b>	\$	\$

**NOTE:** The Assets on this page should be equal to Total Liabilities and Capital on the following page.

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest	<b>SEE EXHIBIT A, Page 5</b>	
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$	\$
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$	\$
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$	\$
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$	\$

COMPANY NAME

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$	\$
460	Unmetered Water Revenue		
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	\$	\$
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	<b>SEE EXHIBIT A, Page 6</b>	
618	Chemicals		
620	Repairs and Maintenance		
621	Office Supplies and Expense		
630	Outside Services		
635	Water Testing		
641	Rents		
650	Transportation Expenses		
657	Insurance - General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense		
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$	\$
	<b>OPERATING INCOME/(LOSS)</b>	\$	\$
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$	\$
	<b>NET INCOME/(LOSS)</b>	\$	\$



**COMPANY NAME** Community Water Company of Green Valley

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	5/16/2005	01/02/03		
Source of Loan	JP Morgan Chase	JP Morgan Chase		
ACC Decision No.	67515	65200		
Reason for Loan	Plant Expansion	Plant Expansion		
Dollar Amount Issued	\$ 1,564,371	\$500,000	\$	\$
Amount Outstanding	\$ 1,564,371	\$ 0	\$	\$
Date of Maturity	11/16/2006	5/16/2005		
Interest Rate	see below* %	Prime + .50 %	%	%
Current Year Interest	\$ 52,415.13	\$ 9,489.86	\$	\$
Current Year Principle	\$ 0	\$433,333	\$	\$

Meter Deposit Balance at Test Year End \$ 9,678.07

Meter Deposits Refunded During the Test Year \$ 3,087.96

\* Prime + 0 percent, or fixed at 30, 60 or 90 day LIBOR plus 200 points

<b>COMPANY NAME</b>	Community Water Company of Green Valley
---------------------	---

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-627485 (#6)	250	1,000	837	16	1-6" & 1-10"	1977
55-627486 (#7)	250	1,000	1065	12	1-6" & 1-10"	1982
55-543600 (#8)	400	1,750	990	24"-0-40" 16"-40-990"	1-8" & 1-12"	1994
55-588121 (#9)	250	1,200	1000	20	1-3" & 1-12"	2002

\* Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A	N/A	N/A

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	1	895	
10	1		
20	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
1 million	3	10,000	1
2 million	1		

COMPANY NAME Community Water Company of Green Valley

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

MAINS		
Size (in inches)	Material	Length (in feet)
2	Copper & PVC	7,050
3	AC & PVC	8,167
4	AC & DI	52,714
5	- 0 -	0
6	AC & DI	309,850
8	AC & DI	202,770
10	AC & DI	6,799
12	AC & DI	101,411
16	AC & DI	9,320

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 1/4	8,859
3/4	88
1	494
1 1/2	60
2	148
Comp. 3	
Turbo 3	66
Comp. 4	
Tubo 4	1
Comp. 6	
Tubo 6	1

For the following three items, list the utility owned assets in each category.

**TREATMENT EQUIPMENT:**

Tablet chlorination at wells 7 and 8 .

Arsenic Treatment Plants @ Well # 6 and Well # 9

**STRUCTURES:**

Office Building, warehouse and storage building

**OTHER:**

Flat Bed Trailer, service trucks, backhoes, dump bed trailer, air compressor/equipment trailer  
welding, sanding, plumbing, painting and other equipment necessary to perform duties of  
water utility

COMPANY NAME: Community Water Company of Green Valley

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	10,178	56,051	61,478
FEBRUARY	10,618	52,484	57,031
MARCH	8,702	60,094	72,576
APRIL	8,722	69,469	80,929
MAY	10,752	70,715	73,723
JUNE	10,579	74,767	87,691
JULY	10,930	83,270	91,377
AUGUST	10,971	67,916	72,142
SEPTEMBER	11,065	66,191	79,304
OCTOBER	11,133	70,991	84,241
NOVEMBER	11,231	69,433	80,846
DECEMBER	11,253	69,941	75,789
TOTAL		811,322	917,126

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(X) Yes ( ) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

(X) Yes ( ) No

If yes, provide the GPCPD amount: 155.2

What is the level of arsenic for each well on your system. see below mg/l  
(If more than one well, please list each separately.)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

Well No	Arsenic *
6	13ppb
7	6ppb
8	11ppb
9	12ppb

COMPANY NAME Community Water Company of Green Valley

YEAR ENDING 12/31/2005

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 107,903

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. N/A

---

---

---

---



**COMMUNITY WATER COMPANY OF GREEN VALLEY**  
 (FED. I.D. NO. 86-0326996)  
 P.O. BOX 1078  
 GREEN VALLEY, AZ 85622-1078  
 (520) 625-8409

**BANK ONE, ARIZONA NA**  
 CONTINENTAL PLAZA OFFICE (197)  
 GREEN VALLEY, ARIZONA

91-2  
1221

111446

0111446

PAY  
TO THE  
ORDER OF

EXACTLY \*\*\*53664 DOLLARS AND 19 CENTS

DATE

AMOUNT

04/11/05

\*\*53,664.19

BETH FORD PIMA CO TREAS  
 PIMA CO TREASURERS OFC  
 PO BOX 98765  
 PHOENIX AZ 85038-0765

*[Signature]*  
 AUTHORIZED SIGNATURE  
*[Signature]*  
 AUTHORIZED SIGNATURE

⑈ 111446 ⑈ ⑆ 122100024 ⑆

2026 2155 ⑈

⑈ 0005366419 ⑈

WARNING: Do not accept this document unless you can see a true watermark hold to light to view



**COMMUNITY WATER COMPANY OF GREEN VALLEY**  
 (FED. I.D. NO. 86-0326996)  
 P.O. BOX 1078  
 GREEN VALLEY, AZ 85622-1078  
 (520) 625-8409

**BANK ONE**  
**JP MORGAN CHASE BANK, NA**  
 PHOENIX, ARIZONA 85073

91-2  
1221

112064

0112064

PAY  
1 THE  
ORDER OF

EXACTLY \*\*\*54239 DOLLARS AND 10 CENTS

DATE

AMOUNT

10/06/05

\*\*54,239.10

BETH FORD PIMA CO TREAS  
 PIMA CO TREASURERS OFC  
 PO BOX 98765  
 PHOENIX AZ 85038-0765

*[Signature]*  
 AUTHORIZED SIGNATURE  
*[Signature]*  
 AUTHORIZED SIGNATURE

⑈ 112064 ⑈ ⑆ 122100024 ⑆

2026 2155 ⑈

⑈ 0005423910 ⑈

WARNING: Do not accept this document unless you can see a true watermark hold to light to view

# 111446

050228053396766  
1200 0169 034  
3042215305  
3 N3 0412724156

BANK ONE, NA  
BEDFORD, TEXAS  
05032005

BANK OF AMERICA, NA TPE  
P1221017064 E2478 90 P07  
05/02/05

CREDIT TO TH  
OF THE WITHI  
WITHOUT PREJ  
PEG, REGULUS

4440226027

3250676194

# 112064

10062005  
111901331

5440281862

BANK OF AMERICA, NA TPE  
P1221017064 E2748 90 P07  
10/25/05

3550035001

007 25 05

0038 31784

FOR DEPOSIT ONLY  
TO THE CREDIT OF  
BETH FORD  
PIMA COUNTY TREASURER  
PIMA COUNTY, ARIZONA  
412-724156

VERIFICATION  
AND  
SWORN STATEMENT  
Taxes

RECEIVED

APR 18 2006

Z Corporation Commission  
Director of Utilities

VERIFICATION

STATE OF \_\_\_\_\_  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)	PIMA
NAME (OWNER OR OFFICIAL) TITLE	Arturo Gabaldon, General Manager
COMPANY NAME	Community Water Company of Green Valley

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

  
SIGNATURE OF OWNER OR OFFICIAL

(520) 625-8409  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

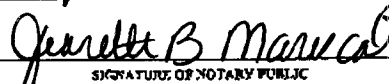
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

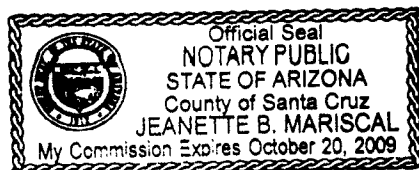
THIS 14th DAY OF April 2006

(SEAL)

COUNTY NAME	Santa Cruz	
MONTH	April 2006	20 06

MY COMMISSION EXPIRES October 20, 2006

  
SIGNATURE OF NOTARY PUBLIC





**COMPANY NAME** Community Water company of Green Valley **YEAR ENDING** 12/31/2005

**INCOME TAXES**

Community Water Company is exempt from taxation under 501(c)12 of the Internal Revenue Code.

For this reporting period, provide the following:

Federal Taxable Income Reported \_\_\_\_\_  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

State Taxable Income Reported \_\_\_\_\_  
Estimated or Actual State Tax Liability \_\_\_\_\_

N/A

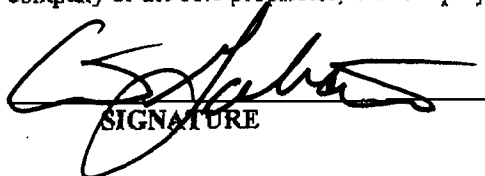
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

April 14, 2006  
DATE

Arturo Gabaldon  
PRINTED NAME

General Manager  
TITLE

VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

RECEIVED

APR 18 2006

VERIFICATION

STATE OF

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	PIMA
NAME (OWNER OR OFFICIAL) TITLE	Arturo Gabaldon, General Manager
COMPANY NAME	Community Water Company of Green Valley

Z Corporation Commission  
Director of Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

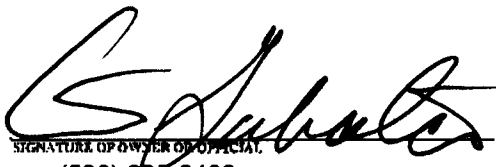
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 2,473,739

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 134,432  
IN SALES TAXES BILLED, OR COLLECTED)

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

  
SIGNATURE OF OWNER OR OFFICIAL  
(520) 625-8409  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

14th

DAY OF

April 2006

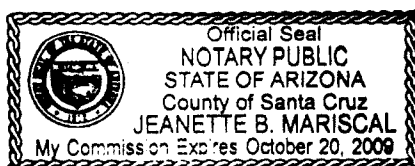
(SEAL)

COUNTY NAME	Santa Cruz
MONTH	April
YEAR	2006

MY COMMISSION EXPIRES

Oct. 20, 2006

  
SIGNATURE OF NOTARY PUBLIC



VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY

RECEIVED

APR 18 2006

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	PIMA	
NAME (OWNER OR OFFICIAL)	Arturo Gabaldon	TITLE General Manager
COMPANY NAME	Community Water Company of Green Valley	

Z Corporation Commission  
Director of Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 2,039,513

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 109,755.81  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

*Arturo Gabaldon*  
SIGNATURE OF OWNER OR OFFICIAL

(520) 625-8409

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

14th

DAY OF

April 2006

NOTARY PUBLIC NAME	Jeanette B. Mariscal	
COUNTY NAME	Santa Cruz	
MONTH	April	2006

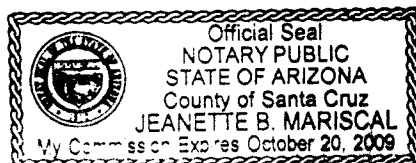
(SEAL)

MY COMMISSION EXPIRES

October 20, 2009

X

*Jeanette B. Mariscal*  
SIGNATURE OF NOTARY PUBLIC



ACCT	SUB	DESCRIPTION	COST 12/31/2005	ACC DEPR 12/31/2005	OCID 12/31/2005
101-01	-301	Organization	47,863.07	47,387.19	475.88
101-02	-302	Franchise	243.65	129.60	114.05
101-05	(310-03)	Other Source of Supply Land	45,765.71	0.00	45,765.71
101-09	-314	Wells	929,636.65	134,117.72	795,518.93
101-13	-320	Pumping Land	219.77	0.00	219.77
101-17	-321	Pumping Structure	1,940.40	682.92	1,257.48
101-21	-325	Pumping Equip Electr	616,859.36	103,421.49	513,437.87
101-25	-328	Pumping Equip Gas	122,125.94	7,717.71	114,408.23
101-27	-331	Water Treatment Struct	49,258.61	2,687.68	46,570.93
101-29	-332	Water Treatment Equip	808,101.69	-33,050.62	841,152.31
101-33	-342	Tanks Reservoirs	1,066,451.79	329,818.37	736,633.42
101-37	-343	Mains	9,981,616.46	2,993,627.66	6,987,988.80
101-41	-344	Fire Sprinkler Taps	216,851.41	66,058.49	150,792.92
101-45	-345	Services	2,911,919.98	724,452.17	2,187,467.81
101-49	-346	Meters	595,886.54	99,825.91	496,060.63
101-53	-348	Hydrants	1,325,823.60	372,965.64	952,857.96
101-57	-389	Land- Ware house Well #7	45,101.94	0	45,101.94
101-61	-390	#4 Warehouse & La Canada booster	21,033.06	8,739.10	12,293.96
101-65	(390-01)	Office Building	360,288.88	153,556.47	206,732.41
101-69	(390-02)	Warehouse Ward Lane	130,321.49	64,073.21	66,248.28
101-70	(390-03)	Land Purchase Office Building	22,567.00	0	22,567.00
101-73	-391	Office Furniture & Equip	140,493.80	10,362.03	130,131.77
101-77	(391-01)	Office Equip Burroughs	0.00	-7,500.81	7,500.81
101-87	-393	Stores Equipment	2,441.14	859.79	1,581.35
101-89	-394	Tools Etc.	101,277.44	13,895.64	87,381.80
101-91	-395	Laboratory Equipment	2,344.64	1,046.71	1,297.93
101-93	-396	Power Operated Equipment	42,073.43	5,746.52	36,326.91
101-97	-397	Communication Equipment	69,339.84	23,563.29	45,776.55
101-98	-398	Safety Equipment	738.46	27.58	710.88
101-81	(391-02)	Office Equip Computer (12.5%)	238,700.99	151,889.11	86,811.88
		Depr 111-10	19,897,286.74	5,276,100.55	14,621,186.19
101-95	(396-01)	Backhoe (6.24%)	107,179.07	73,403.42	33,775.65
		Depr 111-30	20,004,465.81	5,349,503.97	14,654,961.84
101-85	-392	Vehicles	343,468.36	312,711.27	30,757.09
		Depr 111-20	20,347,934.17	5,662,215.24	14,685,718.93
115-00		CWC(North) Plant Acq Adj	437,109.00	437,109.00	0.00
117-00		Plant Acquisition Adj (Deprec 118-00)	628,542.94	435,055.37	193,487.57
			21,413,586.11	6,534,379.61	14,879,206.50

12/31/2005

ACCT	SUB	DESCRIPTION	Depreciation		Retirements & Salvage Value 2005	ACC DEPR 12/31/2005
			ACC DEPR 12/31/2004	Expense 2005		
101-01	-301	Organization	47,186.39	200.80		47,387.19
101-02	-302	Franchise	123.53	6.07		129.60
101-05	(310-03)	Other Source of Supply Land	0	Land=N/A		0.00
101-09	-314	Wells	127,254.34	23,363.38	16,500.00	134,117.72
101-13	-320	Pumping Land	0	Land=N/A		0.00
101-17	-321	Pumping Structure	634.6	48.32		682.92
101-21	-325	Pumping Equip Electr	88,771.81	14,649.68		103,421.49
101-25	-328	Pumping Equip Gas	4,676.77	3,040.94		7,717.71
101-27	-331	Water Treatment Struct	1,500.25	1,187.43		2,687.68
101-29	-332	Water Treatment Equip	-43,202.87	10,152.25		-33,050.62
101-33	-342	Tanks Reservoirs	303,263.72	26,554.65		329,818.37
101-37	-343	Mains	2,774,295.05	238,930.21	19,597.60	2,993,627.66
101-41	-344	Fire Sprinkler Taps	60,873.55	5,184.94		66,058.49
101-45	-345	Services	661,871.41	69,002.95	6,422.19	724,452.17
101-49	-346	Meters	107,625.22	14,610.69	22,410.00	99,825.91
101-53	-348	Hydrants	372,073.63	30,592.01	29,700.00	372,965.64
101-57	-389	Land- Ware house Well #7	0	Land=N/A		0
101-61	-390	#4 Warehouse & La Canada booster	8,362.09	377.01		8,739.10
101-65	(390-01)	Office Building	144,585.28	8,971.19		153,556.47
101-69	(390-02)	Warehouse Ward Lane	61,072.62	3,248.09	247.50	64,073.21
101-70	(390-03)	Land Purchase Office Building	0	Land=N/A		0
101-73	-391	Office Furniture & Equip	7,045.38	3,316.65		10,362.03
101-77	(391-01)	Office Equip Burroughs	-7,500.81	FD		-7,500.81
101-87	-393	Stores Equipment	799.01	60.78		859.79
101-89	-394	Tools Etc.	13,833.56	2,511.58	2,449.50	13,895.64
101-91	-395	Laboratory Equipment	988.33	58.38		1,046.71
101-93	-396	Power Operated Equipment	7,167.77	1,078.75	2,500.00	5,746.52
101-97	-397	Communication Equipment	21,851.49	1,711.80		23,563.29
101-98	-398	Safety Equipment	9.19	18.39		27.58
101-81	(391-02)	Office Equip Computer (12.5%)	145,470.72	16,418.39	10,000.00	151,889.11
Depr 111-10			4,910,632.03	475,295.31	109,826.79	5,276,100.55
101-95	(396-01)	Backhoe (6.24%) Depr 111-30	68,900.30	4,503.12	-	73,403.42
			4,979,532.33	479,798.43	109,826.79	5,349,503.97
101-85	-392	Vehicles Depr 111-20	275,788.44	36,922.83	0	312,711.27
			5,255,320.77	516,721.26	109,826.79	5,662,215.24
115-00		CWC(North) Plant Acq Adj	437,109.00	0		437,109.00
117-00		Plant Acquisition Adj (Deprec 118-00)	419,539.37	15,516.00		435,055.37
			6,111,969.14	532,237.26	109,826.79	6,534,379.61

# **BALANCE SHEET**

## **ASSETS**

BALANCE AT  
BEGINNING OF  
YEAR

BALANCE AT  
END OF  
YEAR

### **CURRENT AND ACCRUED ASSETS**

131 Cash	1,305,839	1,703,671
134 Working Funds	-	
135 Temporary Cash Investments	496,630	396,583
141 Customer Accounts Receivable	196,923	279,220
146 Notes/Receivables from Associated Companies	-	
151 Plant Material and Supplies	36,829	40,511
162 Prepayments	20,458	17,210
174 Miscellaneous Current and Accrued Assets		
<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>2,056,679</b>	<b>2,437,195</b>

### **FIXED ASSETS**

101 Utility Plant in Service	19,274,328	21,413,586
103 Property Held for Future Use	-	
105 Construction Work in Progress	96,754	6,305,173
108 Accumulated Depreciation - Utility Plan	(6,111,969)	(6,534,380)
121 Non Utility Property	489,902	557,078
122 Accumulated Depreciation - Non Utility	-	
<b>TOTAL FIXED ASSETS</b>	<b>13,749,015</b>	<b>21,741,457</b>
<b>TOTAL ASSETS</b>	<b>15,805,694</b>	<b>24,178,652</b>

12/31/2005

ACCT	SUB	DESCRIPTION	COST 12/31/2004	ADDITIONS	RETIREMENTS	COST 12/31/2005
101-01	-301	Organization	47,863.07			47,863.07
101-02	-302	Franchise	243.65			243.65
101-05	(310-03)	Other Source of Supply Land	45,765.71			45,765.71
101-09	-314	Wells	946,136.65	0.00	16,500.00	929,636.65
101-13	-320	Pumping Land	219.77			219.77
101-17	-321	Pumping Structure	1,940.40			1,940.40
101-21	-325	Pumping Equip Electr	616,859.36	0.00		616,859.36
101-25	-328	Pumping Equip Gas	122,125.94			122,125.94
101-27	-331	Water Treatment Struct	46,117.62	3,140.99		49,258.61
101-29	-332	Water Treatment Equip	7,339.68	800,762.01		808,101.69
101-33	-342	Tanks Reservoirs	1,066,451.79			1,066,451.79
101-37	-343	Mains	9,209,564.70	791,649.36	19,597.60	9,981,616.46
101-41	-344	Fire Sprinkler Taps	199,609.60	17,241.81		216,851.41
101-45	-345	Services	2,630,485.82	287,856.35	6,422.19	2,911,919.98
101-49	-346	Meters	577,662.80	40,633.74	22,410.00	595,886.54
101-53	-348	Hydrants	1,131,365.73	224,157.87	29,700.00	1,325,823.60
101-57	-389	Land- Ware house Well #7	45,101.94			45,101.94
101-61	-390	#4 Warehouse & La Canada booster	9,248.57	11,784.49		21,033.06
101-65	(390-01)	Office Building	360,288.88			360,288.88
101-69	(390-02)	Warehouse Ward Lane	130,568.99		247.50	130,321.49
101-70	(390-03)	Land Purchase Office Building	22,567.00			22,567.00
101-73	-391	Office Furniture & Equip	125,903.79	14,590.01		140,493.80
101-77	(391-01)	Office Equip Burroughs	0			0.00
101-87	-393	Stores Equipment	2,441.14			2,441.14
101-89	-394	Tools Etc.	100,455.96	3,270.98	2,449.50	101,277.44
101-91	-395	Laboratory Equipment	2,344.64			2,344.64
101-93	-396	Power Operated Equipment	44,573.43		2,500.00	42,073.43
101-97	-397	Communication Equipment	68,154.32	1,185.52		69,339.84
101-98	-398	Safety Equipment	738.46			738.46
101-81	(391-02)	Office Equip Computer (12.5%)	236,983.68	11,717.31	10,000.00	238,700.99
		Depr 111-10	17,799,123.09	2,207,990.44	109,826.79	19,897,286.74
101-95	(396-01)	Backhoe (6.24%) Depr 111-30	107,179.07			107,179.07
			17,906,302.16	2,207,990.44	109,826.79	20,004,465.81
101-85	-392	Vehicles Depr 111-20	302,374.25	41,094.11		343,468.36
			18,208,676.41	2,249,084.55	109,826.79	20,347,934.17
115-00		CWC(North) Plant Acq Adj	437,109.00			437,109.00
117-00		Plant Acquisition Adj (Deprec 118-00)	628,542.94			628,542.94
			19,274,328.35	2,249,084.55	109,826.79	21,413,586.11

## **BALANCE SHEET(CONTINUED)**

<b>LIABILITIES</b>	<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
231 Accounts Payable	159,571	3,572,602
232 Notes Payable	33,333	-
232 Line of Credit		1,564,371
234 Notes/Accounts Payable to Associated Companies	-	
235 Customer Deposits	-	
236 Accrued Taxes	73,107	75,564
237 Accrued Interest	-	
241 Miscellaneous Current and Accrued Liabilities	67,853	86,428
<b>TOTAL CURRENT LIABILITIES</b>	<b>333,864</b>	<b>5,298,965</b>
<b>Long-Term Debt (Over 12 Months)</b>		
224 Long-Term Notes and Bonds	400,000	-
<b>DEFERRED CREDITS</b>		
251 Unamortized Premium on Debt	-	
252 Advances in Aid of Construction	6,073,759	7,510,427
255 Accumulated Deferred Investment Tax Credits	-	
265 Maintenance Reserves	48,717	64,041
271 Contributions in Aid of Construction	1,740,095	4,096,833
272 Less: Amortization of Contributions	(350,291)	(396,393)
281 Accumulated Deferred Income Tax	-	
<b>TOTAL DEFERRED CREDITS</b>	<b>7,512,280</b>	<b>11,274,908</b>
<b>TOTAL LIABILITIES</b>	<b>8,246,144</b>	<b>16,573,873</b>
<b>CAPITAL ACCOUNTS</b>		
201 Common Stock Issued		
211 Paid in Capital of Excess of Par Value	48,010	48,010
215 Retained Earnings	7,511,540	7,556,769
218 Proprietary Capital	-	
<b>TOTAL CAPITAL</b>	<b>7,559,550</b>	<b>7,604,779</b>
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>15,805,694</b>	<b>24,178,652</b>



# COMPARATIVE STATEMENT OF INCOME AND EXPENSES

<b>Acct No. OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461 Metered Water Revenue	2,119,210	2,271,706
460 Unmetered Water Revenue	34,373	57,396
474 Other Water Revenue	123,867	144,637
<b>TOTAL REVENUES</b>	<b>2,277,450</b>	<b>2,473,739</b>
<b>OPERATING EXPENSES</b>		
601 Salaries and Wages	623,541	634,478
610 Purchased Water	0	
615 Purchased Power	149,442	205,478
618 Chemicals	9,765	11,619
620 Repairs and Maintenance	172,072	115,542
621 Office Supplies and Expense	19,097	19,509
630 Outside Services	32,072	97,165
635 Water Testing	0	
641 Rents	0	2,321
650 Transportation Expenses	0	36,854
657 Insurance - General Liability	21,687	24,624
659 Insurance - General Liability	156,688	146,505
666 Regulatory Commission Expense - Rate Case	4,681	4,675
675 Miscellaneous Expense	248,203	371,648
403 Depreciation Expense	408,253	440,253
408 Taxes Other Than Income	175,017	187,958
408.11 Property Taxes	107,448	108,371
409 Income Tax	0	0
<b>TOTAL OPERATING EXPENSES</b>	<b>2,127,966</b>	<b>2,407,000</b>
<b>OTHER INCOME/((EXPENSE)</b>		
419 Interest and Dividend Income	20,723	35,207
421 Non-Utility	28,454	6,891
426 Miscellaneous Non-Utility Expenses	0	0
427 Interest Expense	(22,662)	(63,573)
<b>TOTAL OTHER INCOME/((EXPENSES)</b>	<b>26,515</b>	<b>(21,475)</b>
<b>NET INCOME/((LOSS)</b>	<b>175,999</b>	<b>45,264</b>